

STATE OF VERMONT
HUMAN SERVICES BOARD

| | | |
|-----------|---|-------------------------|
| In re |) | Fair Hearing No. 15,940 |
| |) | |
| Appeal of |) | |
| |) | |

INTRODUCTION

The petitioner appeals a decision of the Department of Social Welfare denying his application for Medicaid and establishing a spend-down of \$690 to establish eligibility.

FINDINGS OF FACT

1. The petitioner is disabled and receives \$921.50 per month in Social Security benefits. Based on this information, DSW calculated his eligibility for Medicaid benefits. The Department initially allowed him only a \$20 standard deduction from monthly income.

2. At the hearing the Department discovered that it had not also deducted from the petitioner's income the amount he pays for his Medicare premium (\$45.00) out of his Social Security check. Allowing both deductions, the Department determined that the petitioner had a total countable income of \$856.50.

3. The Department compared that to the maximum income level (the "protected income level" or "PIL") for a one person Medicaid group of \$741 and determined that the petitioner was ineligible. His spend-down (the amount of medical expenses he must incur in a six month period before Medicaid coverage can begin) was calculated by multiplying

the difference between the PIL and his countable monthly income, a figure of \$115, times six, representing the six months. A total spend-down amount of \$690 was thus obtained.

4. The petitioner does not disagree with the figures used by the Department. He believes the decision is unfair because he does not have sufficient out of pocket money to pay his considerable medical expenses which include prescription medications relating to recent cancer surgery.

ORDER

The decision of the Department is affirmed.

REASONS

In this case the petitioner does not dispute the amount of his applied income as ultimately determined by the Department. Since the petitioner qualifies for Medicaid under the "category" of SSI/AABD (disabled) criteria, his eligibility must be calculated pursuant to the rules at M243.1. The calculations performed by the Department as set forth in paragraphs two and three above are consistent with those rules.

As noted above, the protected income level (PIL) for a household of one is \$741 per month. See Procedures Manual § P-2420B. Under the Department's regulations, the petitioner may qualify for Medicaid coverage if his income is above the

PIL once he incurs or "spends-down" the difference between his net income and the PIL over a six month period. M400, 401. Unfortunately for the petitioner, the Medicaid formulas do not take into account the amount of medical expenses the recipient has in determining initial eligibility except insofar as they may be used to meet the "spend-down" amount. The Department's decision to deny his application is in accordance with its Medicaid regulations and must, therefore, be upheld. 3 V.S.A. § 3091(d), Fair Hearing Rule 17.

At the hearing in this matter, held on May 26, 1999, the petitioner was made aware that he should bring in evidence of all medical expenses incurred during this time period to meet his spend-down. He was also informed that if he is unable to pay any medical expense up front and feels that he thereby faces a medical emergency, he can apply at that time to the Department for a determination of his eligibility for General Assistance (GA) benefits.

#